14 October 2019

ASX Announcement

IP SURVEY RESULTS FROM DIAMBA SUD GOLD DISCOVERY EXTEND TARGETS

HIGHLIGHTS

- Dipole-dipole induced polarisation (DDIP) traverse completed across the Area A and Area D discoveries within the Northern Arc Target **suggests similarities to intrusive related mineralisation at Barrick's Massawa project, 3Moz at 4g/t gold, 50km to the west of Diamba Sud.**
    - The high-grade gold mineralisation recently intersected at Area A correlates with a broad chargeability anomaly coincident with an interpreted granodioritic intrusive (resistivity high), indicating potential for the mineralisation to be more extensive.
- Gradient array induced polarisation ("GAIP") survey results received from the Northern Arc and Western Flank targets.
    - Identification of two northerly trending interpreted structures passing through Area A and Area D high grade intersections.
    - Northerly trends are the main structural trend hosting mineralisation at all of the tier 1 deposits on the Senegal-Mali Shear Zone (SMSZ).
    - Presence of the highly prospective Western Splay structure extending from the prolific Senegal-Mali Shear Zone ("SMSZ") confirmed passing to the west of the Western Flank Target.
- **Diamond drilling planned for the first stage of exploration during the forthcoming field season, expected to commence in October and fully funded from the recent successful share placement[1].**

"The IP survey results are very encouraging from two perspectives. The first is confirmation of a potential intrusive body associated with the Area A discovery. This is very encouraging in terms of the potential deposit style, noting Barrick's nearby multi-million ounce, intrusion-related, Massawa gold project in Senegal. The second is the identification of at least three significant resistivity anomalies associated with potential structures passing through the Area A discovery, Area D and confirmation of the interpreted Western Splay structure. Two of these have returned significant high-grade intersections, are on the same trend as the mineralisation controlling structures in the SMSZ hosting over 45 million ounces of gold and are essentially untested along strike. We are currently incorporating this latest information into planning for our follow-up drilling programs, which we hope to commence in October, weather conditions permitting."- **commented Mike Brown, Managing Director and CEO of Chesser Resources.**

[1] Refer to ASX announcement 11 September 2019.

Chesser Resources Limited ("Chesser" or "the Company"; ASX:CHZ) is pleased to announce the results from a induced polarisation geophysical survey undertaken over the Northern Arc and Western Flank targets within its flagship Diamba Sud Project, located in eastern Senegal (Figure 1).

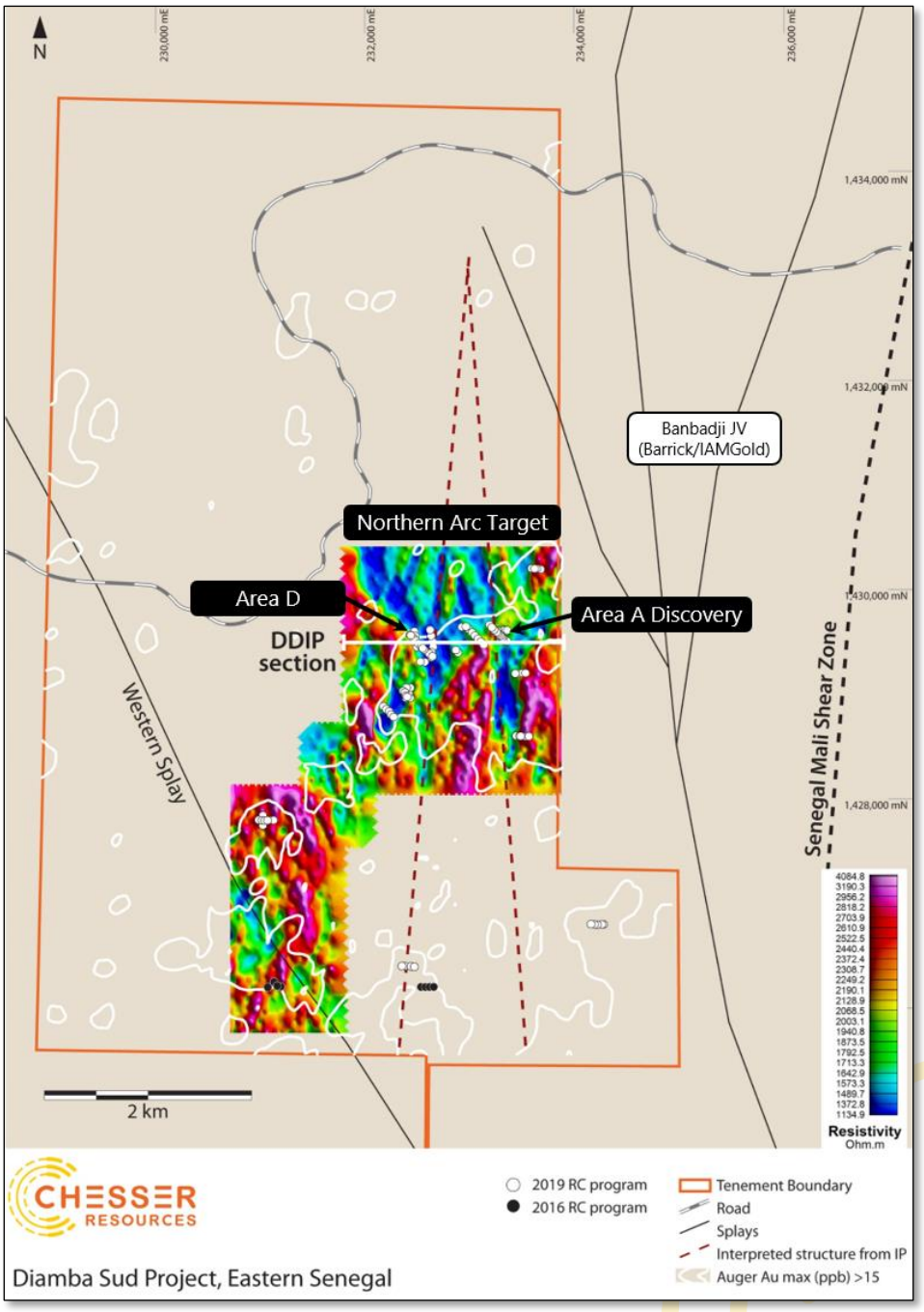

Figure 1: Diamba Sud Project showing location of drilling, IP survey locations showing resistivity and interpreted structures overlaid by gold >15ppb auger geochemistry[2].

[2] Refer to ASX announcements 22 February 2018, 28 May 2018 and 27 August 2018 and 25 March 2019 for details of exploration results for the Diamba Sud auger drilling program. Refer 25 March 2019, 10 April 2019, 6 May 2019 and 14 May 2019 ASX announcements for details of the 2019 RC Phase 1 drill results, 26 August 2019 and 3 September 2019 ASX announcements for Phase 2 results and 3 April 2017 ASX announcement for details of 2016 drill results. The Company is not aware of any new information or data that materially affects the information contained in that announcement.

DIAMBA SUD – INDUCED POLARISATION SURVEY

Dipole-Dipole IP (DDIP) Survey

Two 500m-long traverses were surveyed through the central portion of the Area A discovery within the Northern Arc Target geochemical anomaly (Figure 1).

The high-grade drill intersections recently reported from the Area A discovery appear to correlate with a moderate, east-plunging chargeability response coincident to high resistivity features interpreted as an intrusive, providing a compelling target to extend this potentially wide zone of mineralisation. Selected significant drill intersections from the Area A discovery include[3]:

- **21m at 6.62g/t gold** from 53m, including **1m at 30.60g/t gold** from 69m, and **4m at 3.44g/t gold** from 76m in hole DSR093
- **14m at 9.53g/t gold** from 75m, including 2m at 21.85g/t gold from 78m, and **2m at 13.15g/t gold** from 83m in hole DSR092
- **6m at 7.27g/t gold** from 60m; and **11m at 2.15g/t gold** from 70m; and **6m at 3.17g/t gold** from 107m in hole DSR088
- **2m at 7.09g/t** gold from 82m, including **1m at 13.40g/t gold** from 82m in hole DSR089
- **6m at 2.91g/t** gold from 104m; and **6m at 3.08g/t** gold from 120m in hole DSR090
- **4m at 2.46g/t gold** from 20m; and **14m at 2.83g/t gold** form 87m in hole DSR091

The two marked resistivity highs at moderate depth (NAR1 and NAR2, Figure 2) are interpreted as granodioritic intrusives of the Birimian Faleme Group (Figure 6), supporting the Company's assumption that the Northern Arc target is prospective for contact-related mineralisation in a pressure shadow setting. The Phase 2 drilling appears to confirm this interpretation, with stacked potassic altered pyritic zones observed correlating to a possible contact zone. This suggests that there are significant areas at the intrusive contact, and within the intrusive, for potential extensions to the existing discovery area and/or identifying new mineralised areas, such as the chargeability anomaly to the west of NAR1 associated with the deeper NAR2 (Figure 2).

Grade shell modelling of the Area A drilling highlights the significant nature and continuity of the mineralisation encountered to date, with significant open area for extensions with further drilling, based on the limited number of holes and small area drilled to date (Figure 3). These mineralised zones are predominantly in fresh rock and shallow.

[3] Refer to ASX announcement 26 August 2019. The Company is not aware of any new information or data that materially affects the information contained in that announcement.

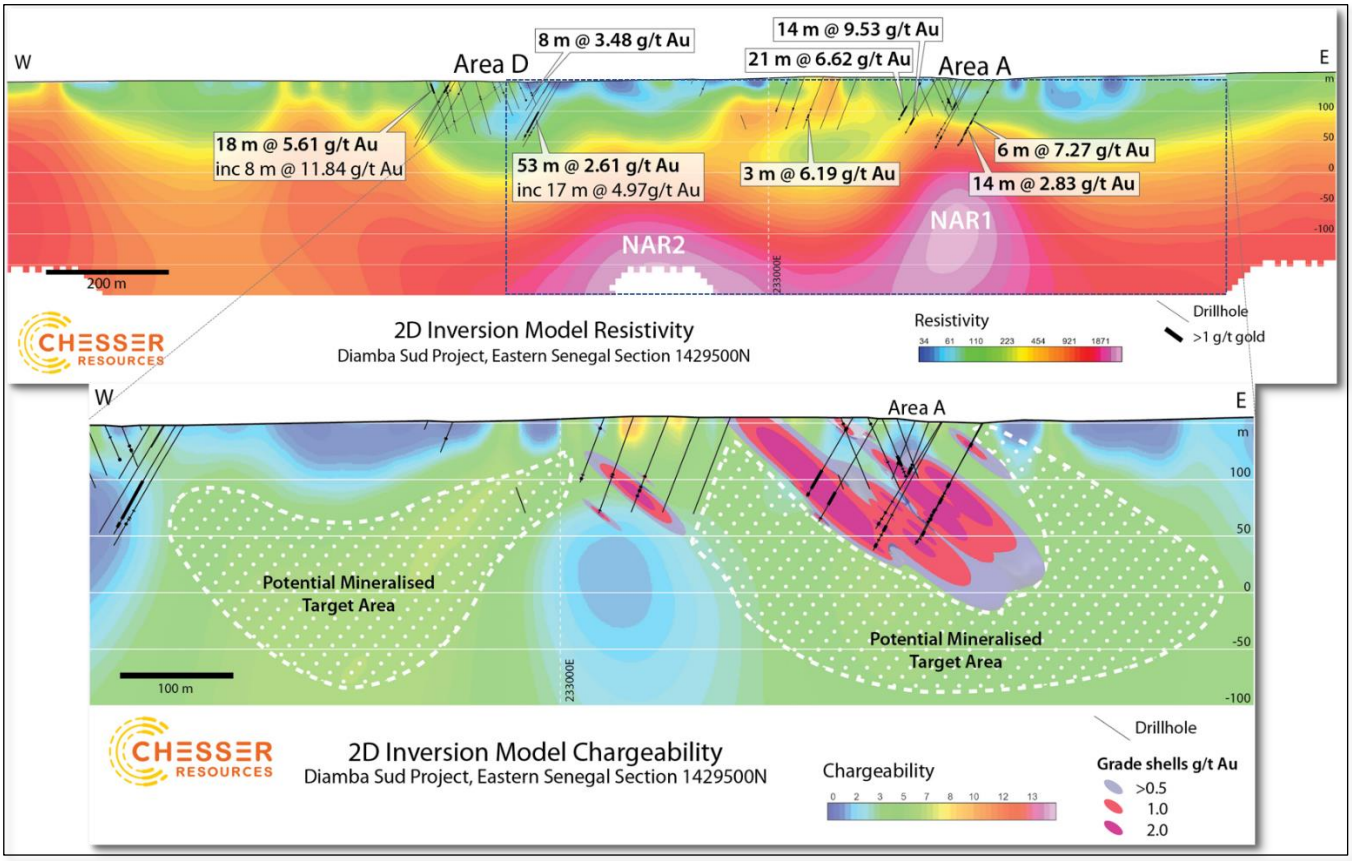

Figure 2: DDIP resistivity and chargeability section across Northern Arc showing RC drilling, selected significant intercepts and resistivity high features NA1 and NAR2, interpreted as granodioritic intrusive and coincident chargeability anomalies.

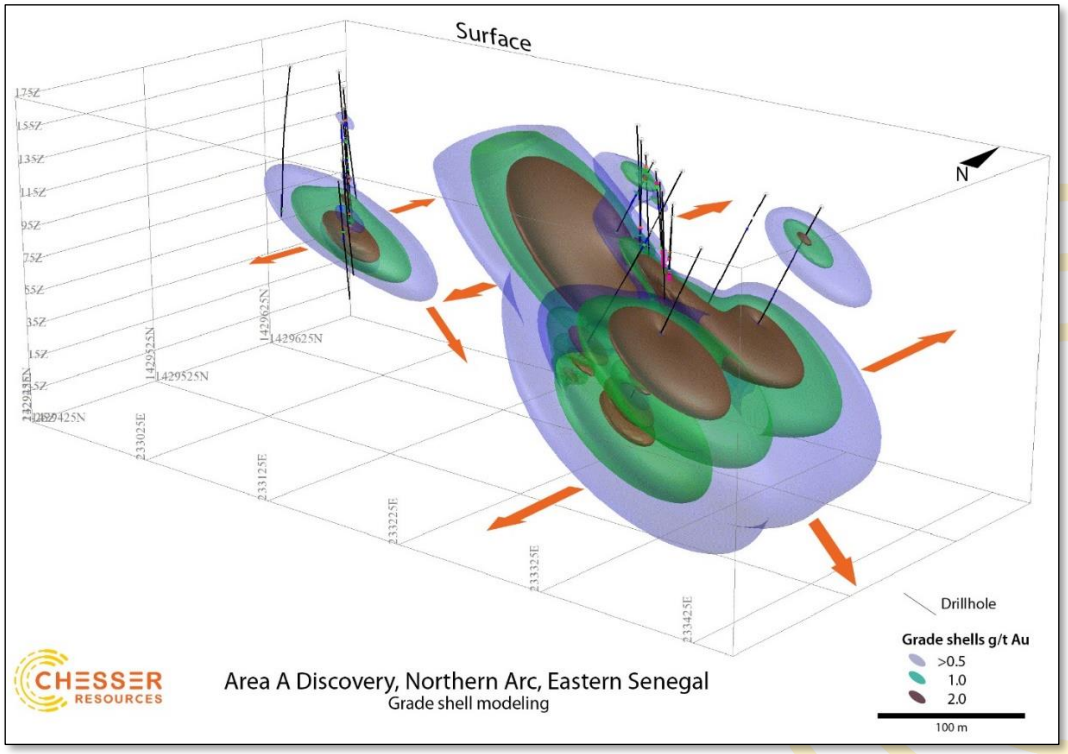

Figure 3: Grade shell modelling of Area A discovery, showing shallow easterly dipping mineralised zones with significant expansion potential.

Gradient Array IP (GAIP) Survey

A total of 4 areas were surveyed, covering the Western Flank (Block 3) and Northern Arc (Blocks 1 and 2) targets, and a small interlinking area (Block 4) (Figure 1).The GAIP resistivity survey over the Northern Arc Target highlighted two prominent, north-trending linear features interpreted as potential fault or shear structures extending through the Area A discovery and Area D (Figures 1 and 4).

The presence and north strike of the interpreted structure extending through the Area A discovery is considered highly encouraging due to its potential role as a conduit for mineralising fluids and its proximity to the significant gold mineralisation recently reported. Northerly trending structures are the dominant control features associated with mineralisation at the tier 1 mines on the Mali side of the SMSZ (Fekola, Gounkoto, part of the Loulo deposit and Sadiola). ***This structure is untested by any drilling along its strike extent beyond the Area A discovery, and represents a high priority exploration target, in particular to the south, where there are a number of auger geochemical anomalies along its trend.***

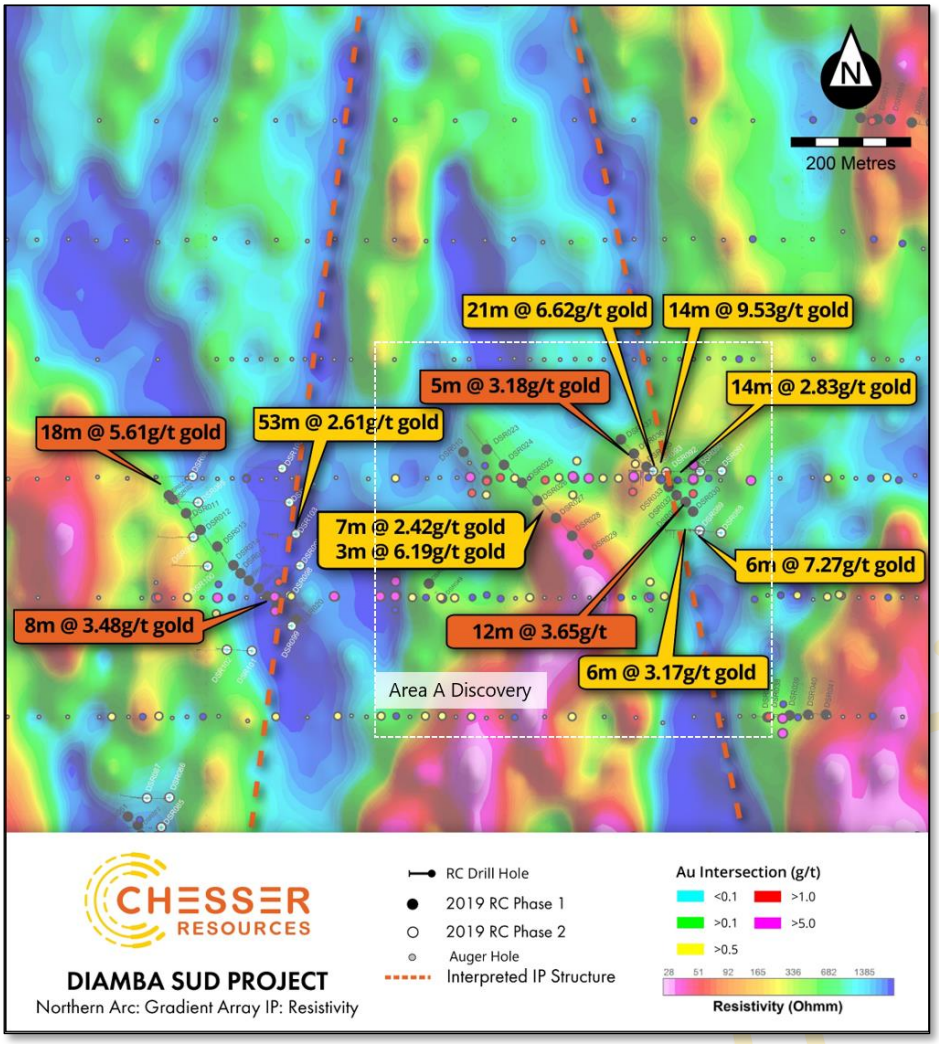

Figure 4: Northern Arc Target: GAIP resistivity image with interpreted structures (dashed orange lines), selected significant intersections from the Phase 1 & 2 drilling programs and gold auger geochemistry.

A second subparallel structure interpreted from the GAIP resistivity survey to the immediate west is considered to be related to the significant gold mineralisation encountered at Area D from the Phase 1 and 2 drilling

programs; including **8m at 3.48g/t gold** from 34m[4] and **53m at 2.61g/t** from 57m, including **17m at 4.97g/t gold** from 59m. Drilling is wide spaced and the confirmation of both the strike and presence of mineralisation along it are subject to more drilling. Neighbouring drill holes confirmed a relatively deep weathering profile with increased potassium levels from XRF geochemistry, indicating potential hydrothermal alteration associated with a significant structure in this area. Further drilling is planned to trace the strike extent of this potentially mineralised trend, with a number of auger anomalies along its trend noted, in particular to the south. The interpreted structure aligns with the intersections reported from the Southern Arc area drilled in Phase 1, approximately 3km to the south (Figure 1).

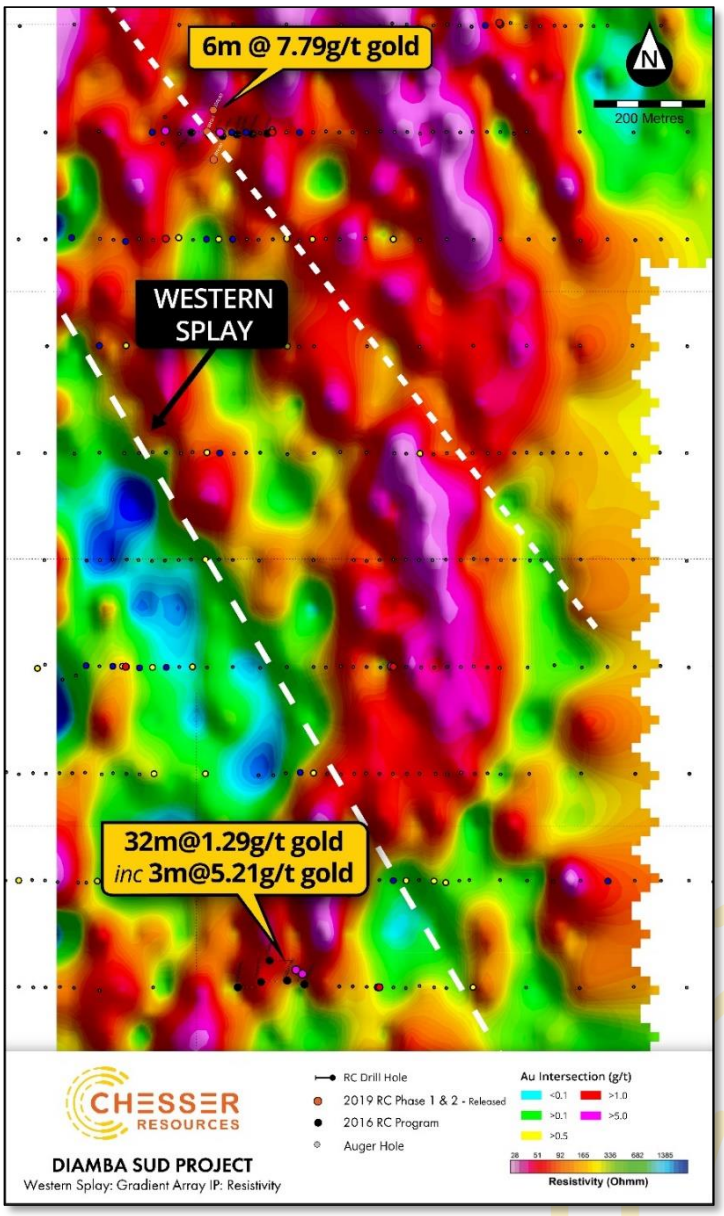

Figure 5: Western Flank Target: GAIP resistivity survey image showing interpreted position of the Western Splay structure and subparallel structure, significant intersections from the previous drill programs and gold geochemistry from auger.

[4] Refer to ASX announcement 25 March 2019. The Company is not aware of any new information or data that materially affects the information contained in that announcement.

The GAIP resistivity survey also confirmed the presence of Western Splay structure (Figure 5), previously interpreted from a Government regional aeromagnetic survey. This splay structure extends from the SMSZ, located to the immediate east of the Diamba Sud Project. All the major gold deposits within this prolific Birimian greenstone belt (e.g. Boto, Fekola, Gounkoto, Loulu, Yatela and Sadiola) are associated with splay structures extending from the SMSZ.

The Western Splay structure is considered a high priority target for future exploration. Recent drilling by Chesser at the Western Flank Target tested a significant auger geochemical anomaly to the east of this structure (Figure 1), previously interpreted as being coincident the Western Splay structure. The GAIP survey has since shown this anomaly and mineralisation to be associated with a subparallel structure (Figure 5).

NEXT STEPS

The Company is currently finalising preparation for the next phase of drilling, with clearing of access underway. This program is expected to initially focus on testing for extensions and controls to the high-grade gold mineralisation at Area A and Area D, with approximately 2,000m of diamond drilling and 5,000m of RC drilling planned. The recently announced successful capital raising is anticipated to cover the expected costs of these drilling programs.

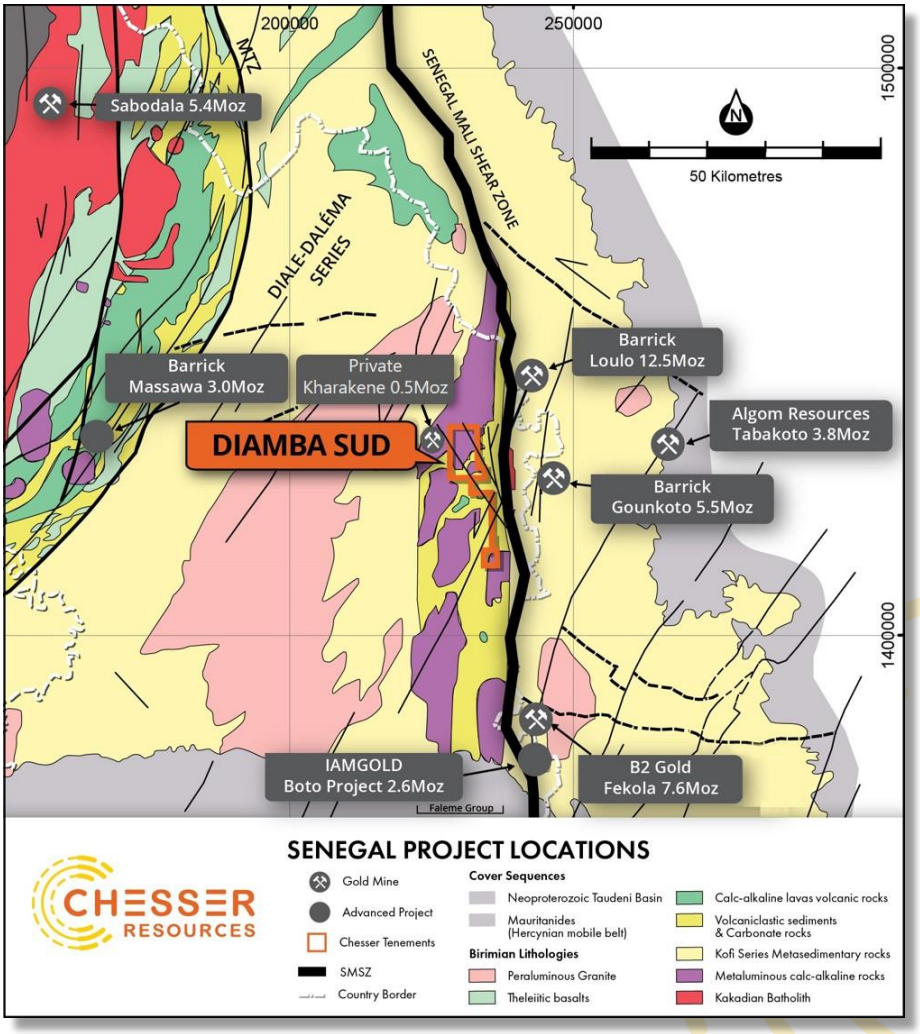

Figure 6: Schematic regional geology of eastern Senegal, showing the Diamba Sud Project and its proximity to both the SMSZ, and the major gold operations and projects on or adjacent to splays off the SMSZ.

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ABOUT DIAMBA SUD (CHZ 100%)

Covering 53.2km^2 over the gold-bearing Kedougou-Kenieba Inlier, Diamba Sud consists of two blocks referred to as DS1 in the north and DS2 in the south.

The Project is located ~2km to the west of the Senegal Mali Shear Zone (SMSZ), a major regional structure and host to numerous multi-million ounce gold deposits including; B2Gold's 7.6Moz Fekola mine, Barrick's 18Moz Loulo-Gounkoto complex and IAMGold's Sadiola and Yatela mines. DS1 lies 7km to the west of the 5.5Moz Gounkoto mine.

Soil geochemistry, rock chip sampling and limited air core and reverse circulation drilling were undertaken over Diamba Sud by previous tenement holders prior to Chesser's involvement. Significantly, IAMGOLD recently increased the resource at its nearby Boto project to 2.6Moz. Boto is interpreted to partially sit in the same western corridor of the SMSZ that the Diamba Sud tenement covers.

The Company currently holds ~300km^2 of highly prospective ground in this underexplored world-class gold region.

Competent Person's Declaration

The information in this report that relates to the Diamba Sud and Diamba Nord exploration results, Mineral Resources and Exploration Targets is based on information compiled by Mr Gareth O'Donovan, Ba Hons, MSc, FGS FIOM3, CEng, who is employed as Exploration Manager for Chesser Resources Ltd. Mr O'Donovan has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.' Mr O'Donovan consents to the inclusion in the announcement of the matters based on his information in the form and context that the information appears.

Forward looking statements

Statements relating to the estimated or expected future production, operating results, cash flows and costs and financial condition of Chesser Resources Limited's planned work at the Company's projects and the expected results of such work are forward-looking statements. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by words such as the following: expects, plans, anticipates, forecasts, believes, intends, estimates, projects, assumes, potential and similar expressions. Forward-looking statements also include reference to events or conditions that will, would, may, could or should occur. Information concerning exploration results and mineral reserve and resource estimates may also be deemed to be forward-looking statements, as it constitutes a prediction of what might be found to be present when and if a project is developed.

These forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable at the time they are made, are inherently subject to a variety of risks and uncertainties which could cause actual events or results to differ materially from those reflected in the forward-looking statements, including, without limitation: uncertainties related to raising sufficient financing to fund the planned work in a timely manner and on acceptable terms; changes in planned work resulting from logistical, technical or other factors; the possibility that results of work will not fulfil projections/expectations and realize the perceived potential of the Company's projects; uncertainties involved in the interpretation of drilling results and other tests and the estimation of gold reserves and resources; risk of accidents, equipment breakdowns and labour disputes or other unanticipated difficulties or interruptions; the possibility of environmental issues at the Company's projects; the possibility of cost overruns or unanticipated expenses in work programs; the need to obtain permits and comply with environmental laws and regulations and other government requirements; fluctuations in the price of gold and other risks and uncertainties.